



Strategy | Consulting | Digital | Technology | Operations

A glowing neon sign in the shape of a lightbulb. The word "Mortgage" is written in a white, cursive script inside the bulb. The bulb is illuminated from within, creating a warm glow. The background is dark, making the glowing bulb stand out.

A large, solid green arrow pointing to the right, positioned to the right of the glowing lightbulb. The arrow is thick and has a slight 3D effect with a darker green shadow on its right side.

High performance. Delivered.

Accenture Credit Services

Mortgage & Compliance As-a-Service

Changing the Conversation

Accenture's Mortgage & Compliance as-a-Service (MCaaS) offering is a prescribed, end-to-end, product-rich mortgage manufacturing solution executed on LoanSequence, our proprietary technology platform, for a transaction fee that is coupled with a warranty for compliance and investor risk.

Changing mortgage market calls for a shift in focus for lenders

The oversight required to quickly adapt to an increasingly complex regulatory environment has many lenders challenged to profitably offer mortgages. A number of industry and market factors are putting constraints on cost reduction, revenue growth and operational agility. Obstacles such as aging technology, lack of flexibility to meet market dynamics, and fragmented processes, all limit lenders' ability to drive efficiency. Additionally, the rapid rate at which technological advances are being embraced by vendors, agencies, and borrowers, has lenders faced with the challenge to interact in these ways while maintaining the required oversight.

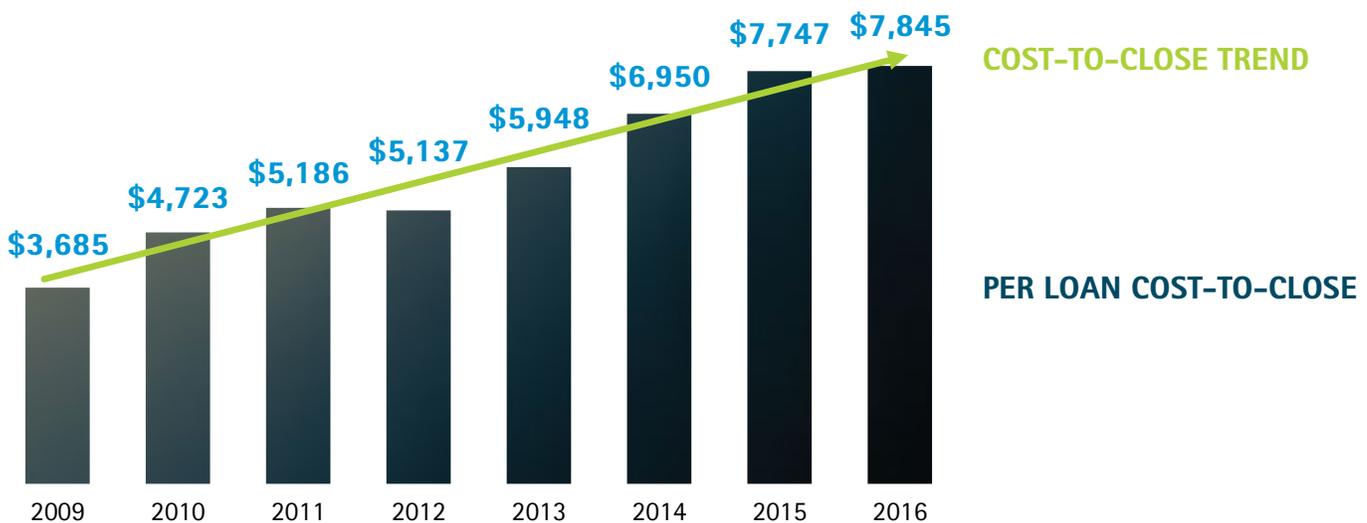
With the continued regulatory change and shift to purchase-money lending, the cost to close a loan continues to rise, averaging 12% per year over the past 8 years. (Figure 1) The Mortgage Bankers Association estimates that in excess of 50% of the cost to originate is compliance, production support staff, and technology infrastructure.

The growing class of digitally-enabled home loan borrowers, along with commodity loan products, pricing and lackluster customer loyalty are putting pressure on lenders to make the move to a more digital mortgage experience.

In order to succeed, lenders need to focus less on back office operations, and more on innovative customer acquisition and retention strategies. They have to be able to demonstrate the ability to meet evolving borrower expectations and provide a differentiated customer experience.

FOCUS ON INNOVATIVE CUSTOMER ACQUISITION AND RETENTION STRATEGIES AND CLIENT CATERED EXPERIENCES WILL BE PARAMOUNT.

FIGURE 1. Historical cost to close high, and rising



Source: Mortgage Bankers Association June 2016 Performance Report

Benefits of As-a-Service delivery

The marketplace is moving quickly toward a new era of service delivery where applications, infrastructure and business processes are brought together and delivered "As-a-Service." The As-a-Service model provides companies with plug-in, scalable, consumption-based services supported by analytics, cloud and automation to deliver business outcomes.

The challenge is to move away from old, FTE-based business models for operations and outsourcing—models focused on cost takeout through labor arbitrage and transaction processing. The promise is to add to those cost accomplishments—to move to a business model that is more collaborative, entrepreneurial, innovative and value driven. The pressure is on lenders to explore more creative process design in order to remain competitive.

Accenture Credit Services embarked with this vision to reinvent mortgage business process outsourcing to a more profitable, differentiated partnership model.



By allowing Accenture to manage the back-end of the process, clients have the ability to focus on borrower relationships and growing market share.

Traditional BPO

- Built for traditional mortgage lending cyclicalities
 - Seasonal
 - Refinance cycles
- Focused on staff augmentation
- Offered as a low-cost solution to building owned infrastructure

As-a-Service

- Built for today's complex lending environment:
 - Intricate investor guidelines
 - Complex, dynamic regulatory environment
 - Emerging lender models
 - Digitally demanding borrowers
- Standardizes processes and products
- Employs Accenture's proprietary technologies
- Fixed cost per loan model for consistent budgeting



MCaaS: Mortgage & Compliance as-a-Service

Accenture's MCaaS solution is the industry's only true end-to-end loan fulfillment capability, providing people, process, technology and a warranty framework for regulatory compliance, vendor management, investor guidelines and data integrity.

Accenture's Mortgage & Compliance as-a-Service (MCaaS) offering is designed to simplify the outsourcing model for lenders by providing a prescribed, end-to-end, product-rich mortgage manufacturing solution, coupled with the industry's only warranty for compliance and investor risk. MCaaS loans are processed on the Accenture Credit Services proprietary lending technology platform, LoanSequence.

MCaaS offers lenders a premium service that produces mortgage loans that will stand up to regulatory scrutiny and investor guidelines, while delivering superior customer satisfaction.

MCaaS is designed to help mortgage and home equity lenders reduce overall cycle times, scale volume in a predictable manner, improve regulatory compliance and reduce the potential for repurchase risk, all at a predictable cost. The solution also helps reduce the need for lenders to continually upgrade their legacy mortgage technology and processes to be compliant with the latest investor and regulatory requirements. This allows clients to focus their internal efforts on customer retention and acquisition, which is critical to success in this competitive environment.

Key value prop for client

- Industrialized, predictable loan origination process
- Increased borrower satisfaction
- Enhanced originator experience
- Improved turn times
- Comprehensive data aggregation to enable client reporting

Key solution components

- Compliant, robust, standardized, managed product set
- Comprehensive and customizable borrower/lender web portals with status and workflow
- Fully executed on a single platform—LoanSequence—with robust operational, regulatory, and investor controls and workflow
- End-to-end origination process (no compartmentalized review)

MCaaS PROVIDES GREATER EFFICIENCY, A BETTER BORROWER EXPERIENCE, LOWER COST AND ACCENTURE-WARRANTED REGULATORY AND INVESTOR COMPLIANCE.

MCaaS is a unique offering in that it provides the industry's only warranty framework for regulatory and investor risk, addressing the most significant concerns of today's lenders. With this warranty framework in place, MCaaS loans are processed and underwritten in compliance with applicable laws and regulations, meet client standards and specific investor guidelines, and are transacted by world class service providers. Accenture's delivery platform also provides the highest levels of data integrity and security.

INDUSTRY'S ONLY WARRANTY FRAMEWORK INCLUDES:

- Regulatory compliance
- Vendor management
- Investor guidelines
- Data integrity

Why Accenture Credit Services?

Accenture Credit Services has over 15 years of deep domain experience delivering transformational outsourcing solutions to the residential mortgage industry. We team with clients to deliver high performance operating environments that bring performance improvements in quality, cost, service and delivery. Accenture is the only provider in the industry to offer a holistic set of services across consulting, operations and technology. This experience and broad capability allows Accenture to innovate and manufacture loans better and faster than our clients can achieve alone.

Leading Technology

Accenture has provided innovative solutions to our clients in the mortgage space for years. The experience and technology we possess allowed us to create LoanSequence, a very unique capability around our proprietary platform for back-office automation powering our MCaaS offering.

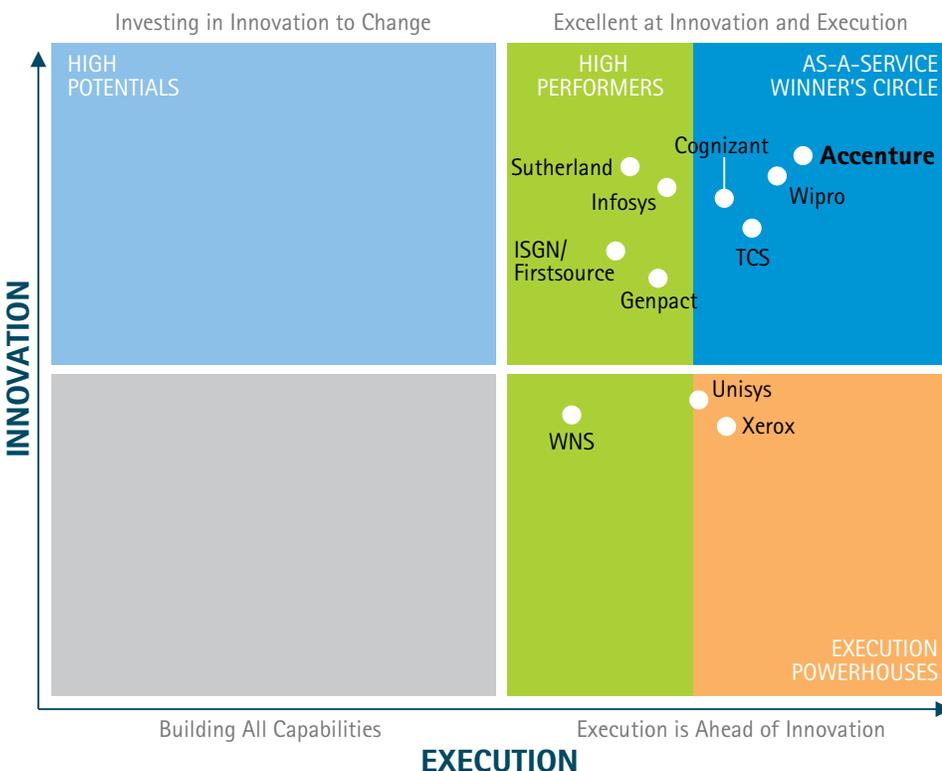
LoanSequence, a technical suite of Accenture's internal technologies, is an end-to-end loan origination platform tightly integrated with workflow and advanced automation tools to deliver the highest level of efficiency, productivity and process automation. LoanSequence has been designed to reduce cycle times, while increasing loan quality through a robust compliance management system.

KEY COMPONENTS OF THE PLATFORM INCLUDE:

- Integrated dynamic documents with eDelivery and eSign
- Rules based workflow and workload allocation
- Real-time data analytics, and Business Intelligence dashboarding and reporting

HfS Research recently positioned Accenture as the overall leader in both innovation and execution—ahead of all competitors—in the HfS Mortgage As-a-Service Blueprint Report for 2016. (Figure 2)

FIGURE 2. HfS Blueprint: Mortgage As-a-Service 2016



"A MORTGAGE AS-A-SERVICE VISIONARY DRIVING OPERATIONALLY EXCELLENT ENGAGEMENTS BY LEVERAGING LEADING INDUSTRY ASSETS."

Source: HfS Research

How can we help?

Accenture Credit Services brings together comprehensive mortgage capabilities, our industry-leading "As-a-Service" loan origination platform—LoanSequence, advanced analytics and a culture of continuous innovation. These services help lenders transform their operations to provide a superior customer experience, fuel revenue growth, reduce overall cycle times, improve reporting and scale on demand while reducing costs and providing efficient, compliant process delivery.

For more information on how Accenture can help your organization, please contact:

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www.accenture.com/MCaaS

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 384,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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